

ASX ANNOUNCEMENT

5 October 2016

September Quarterly Activities Report and Appendix 4C

Highlights

- Cash receipts for the quarter totalled \$747k, an increase of 156% on the previous June 2016 quarter (\$292k)
- Solid operational performance continues with growth across patient users, pharmacies and Patient Engagement Programs (PEPs)
 - Over 230,000 users on the MedAdvisor platform as at 30 Sept 2016 and will increase to over 500,000 connected patients upon completion of Healthnotes acquisition
 - MedAdvisor's 30% market share of pharmacies will increase to 45% following the acquisition of Healthnotes
- Tap-To-Refill script ordering function processing an average of \$1.4 million in script refill value per week, bringing the total since launch to ~\$80 million
- Healthnotes acquisition announced during the quarter will rapidly accelerate MedAdvisor's growth and is expected to be earnings accretive in FY18

MedAdvisor Limited (ASX: **MDR**, the **Company**), Australia's leading digital medication management company, has today released its Appendix 4C Report for the three-month period to 30 September 2016 and is pleased to provide a summary of the progress during the period.

Corporate

During the quarter the Company reported total cash receipts of \$747,000, a 156% increase on the previous June 2016 quarter (\$292,000). The increase was driven by increased patients using the platform and collections from Patient Engagement Programs (PEPs) launched during the quarter.

Net operating cash outflows for the quarter totalled \$711,000, compared to the previous June quarter net operating cash outflows of \$996,000. The Company closed the quarter with \$2.2 million in cash.

On the 10 October 2016 the Company will seek shareholder approval to raise up to \$8 million through the issue of new shares. Pending shareholder approval, the Company intends to complete the raising and issue new shares on the 17 October 2016. The capital raised will be used to fund the acquisition of Healthnotes and for working capital to execute further growth initiatives. The acquisition of Healthnotes is for a total consideration of \$5.5 million, paid as 60% cash and 40% scrip.

Operational

Platform Growth Continues

Patients using the platform during the quarter totalled 230,000 as at 30 September 2016. This represents an increase of 28% on the previous June 2016 quarter and a 154% on the prior corresponding period.

The pharmacy network has grown by 45% and patients per pharmacy by 75% on the prior corresponding period. Upon shareholder approval and completion of the Healthnotes acquisition MedAdvisor will boast over 2,400 pharmacies, representing a ~45% share of the pharmacy market in Australia.

Continued Growth in Patient Engagement via Tap-To-Refill

MedAdvisor's Tap-to-Refill function is now processing over \$1.4 million worth of script refills by medication value each week, bringing the total scrip value to pass through the function since its launch to over \$80 million.

As the Company's patient user base expands and Healthnotes patients are on-boarded the number of connected patients is expected to rapidly increase. The acquisition is expected to bring the total patients on the platform to over 500,000. Of MedAdvisor's existing 230,000 strong user-base, circa 40% are utilising the Tap-to-Refill function each month.

Successful Launch of MedAdvisor's GP Link

During the quarter MedAdvisor successfully launched GP Link at the Royal Australian College of General Practitioners (RACGP) Annual Conference; GP16, in Perth, Western Australia. The Company's focus is now on increasing penetration into the GP market in Australia. The Healthnotes acquisition will assist in accelerating this growth. More than 4,000 GPs are connected to Healthnotes and over 1,000 of the GPs on the Healthnotes platform interact via an online portal which has strong synergies with MedAdvisor's new GP Link.

Expansion of Health Partner Network

During the quarter, the Company expanded its health partner network, thereby increasing its marketing channels to effectively target potential users of the platform. The Company recognises the value of these groups to help bring awareness of Medication Management tools to their members.

In August, MedAdvisor signed a Memorandum of Understanding (MOU) with Glaucoma Australia. As part of the MOU Glaucoma Australia will become a MedAdvisor Health Association Partner and promote the MedAdvisor platform, via its communication channels, to more than 300,000 Australians estimated to be living with glaucoma.

The Company also collaborated with Diabetes Australia to offer people living with diabetes the ability to easily order their consumable products and ensure accurate supply in their pharmacy of choice. MedAdvisor developed and launched customised features for people with diabetes and their carers to reserve their National Diabetes Services Scheme (NDSS) products remotely. This initiative opens a substantial target audience for MedAdvisor. It is estimated that there are 1.7 million Australians living with Type 1 or Type 2 diabetes or gestational diabetes and 1.2m people registered with the NDSS.

Robert Read, CEO of MedAdvisor commented:

"As we build the business, the financial performance will continue to evolve and we have had a strong quarter in terms of financial growth. Our cash receipts are up 156% on the previous June quarter and this is a reflection of our successful sales initiatives and partnerships implemented since listing in December 2015.

"Our patient user based continues to increase and through the acquisition of Healthnotes we will achieve ~45% market share of pharmacies in Australia. In addition to this we will gain access to 4,000 GPs with over 1,000 of these using their GP Connect product, significantly expanding our opportunities among these important primary care providers."

-ENDS-

For more information

Robert Read, CEO
MedAdvisor
Tel: +61 3 9095 3036
robertr@medadvisor.com.au

Andrew Ramadge
Media and Capital Partners
Tel: +61 475 797 471
andrew.ramadge@mcpartners.com.au

About MedAdvisor

MedAdvisor is a world class medication management platform focused on addressing the gap and burden of medication adherence. Founded with a desire to simplify medication management, the highly automated and intuitive Australian software system connects patients to their local pharmacy, providing them with real time access to their personal medication records. Available free on mobile and internet devices, the platform also incorporates a variety of valuable and convenient features including reminders and pre-ordering of medications, which together improves adherence by approximately 20%.

Since launching in 2013, MedAdvisor has over 230,000 registered users and is connected with a third of pharmacies across Australia. With the recent GP software integration enabling patients to order script renewals remotely from their doctor; MedAdvisor continues to lead the way in delivering innovative patient centred health solutions.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

MEDADVISOR LIMITED

ABN

17 145 327 617

Quarter ended ("current quarter")

30-September-2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows related to operating activities		
1.1 Receipts from customers	747	747
1.2 Payments for :		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(310)	(310)
(d) leased assets	-	-
(e.1) staff costs - R&D	(196)	(196)
(e.2) staff costs - other	(564)	(564)
(f) administration and corporate costs	(402)	(402)
1.3 Dividends received	-	-
1.4 Interest received	14	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(711)	(711)

+See chapter 19 for defined terms.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
2. Cash flows related to investing activities		
2.1 Payment to acquire:		
(a) property, plant & equipment	(3)	(3)
(b) businesses (item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:	-	-
(a) property, plant & equipment	-	-
(b) businesses (item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(3)	(3)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issues of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

+See chapter 19 for defined terms.

Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,889	2,889
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(711)	(711)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,175	2,175

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter	Previous quarter
		\$A'000	\$A'000
5.1	Bank balances	2,121	2,835
5.2	Call deposits	54	54
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,175	2,889

6. Payments to directors of the entity and associates of the directors		Current quarter
		\$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	194
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates		Current quarter
		\$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

+See chapter 19 for defined terms.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8. Financing facilities available		
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

--

9. Estimated cash outflows for next quarter ^A	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	454
9.4 Leased assets	-
9.5 Staff costs	1,317
9.6 Administration and corporate costs	730
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	2,501

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Print name: Carlo Campiciano

Date: 05-Oct-16

^ASee chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Other Information.**A. Estimated cash outflows for next quarter**

The estimated cash outflows for next quarter include the estimated operating costs associated with the Healthnotes business on the assumption that the transaction is completed. These costs do not include the anticipated transaction costs of \$700K based on a total capital raise of \$8 million.